

MINUTES – MAY 31, 2012

The Caswell County Board of Commissioners reconvened its meeting at the Historic Courthouse in Yanceyville, North Carolina at 5:30 p.m. on Thursday, May 31, 2012. Members present: Nathaniel Hall, Chairman, Cathy W. Lucas, Vice-Chair, William E. Carter, Jeremiah Jefferies, Kenneth D. Travis and N. Kent Williamson. Absent: Gordon G. Satterfield. Also present: Kevin Howard, County Manager and Gwen Vaughn, Finance Director. Paula P. Seamster, Clerk to the Board, recorded the minutes.

MOMENT OF SILENT PRAYER

Chairman Hall opened the meeting with a Moment of Silent Prayer.

(At 5:45 p.m. Commissioner Williamson entered the meeting).

BUDGET WORKSHOP

Chairman Hall stated “What we have for this evening is to start reviewing the expenses. Do we want to deal with the questions that we raised on the revenues first?”

(At 5:50 p.m. Commissioner Jefferies entered the meeting).

Commissioner Lucas asked “Do you have a list of questions that we asked at the last meeting?” Mr. Howard responded “I was going to go through the questions I had and talk about them. Most of the questions were for the Tax Office and he is not ready yet. It may be the next meeting before he has all of that. There was a request to try to get a list of all the businesses in the county that pays sales tax. What I have heard so far is they cannot give us that information. I actually spoke with Rebecca Troutman with the Association and she said they are not allowed to give that information out.” Chairman Hall asked “They are not allowed?” Mr. Howard responded “The state cannot give that out. All we want is the businesses in this county.” Mr. Howard stated “What I was trying to do was to get the businesses with the amounts. They had County Day yesterday so we traded voice mails. I am now just trying to get a list of the businesses.” Chairman Hall responded “All I want to know is what businesses are in the county. Really I want to know how so we can make sure that all the taxes are coming back to Caswell because there are businesses that are in Caswell and they have Burlington addresses I want to make sure Caswell is getting that sales tax revenue and not Alamance.” Mr. Howard responded “That was the information I gave to the woman at the Department of Revenue and she said we don’t have that. Then I called Rebecca Troutman to see if they had a way to get that information and we traded voice mail messages. I hope to know tomorrow. That was all the questions on the revenue stuff.” Chairman Hall stated “So really you don’t have the answers yet.” Mr. Howard responded “No sir.”

Chairman Hall asked “Who is going to go through the revenues, you or Ms. Vaughn?” Mr. Howard responded “I will go through them. If you have any questions I will get back with each department head as we go through this. We will start at the beginning with Governing Body.” Chairman Hall asked “We don’t have a power point for revenues?” Mr. Howard responded “No

sir. We can go back and forth with ACS if you need more information on this.” Chairman Hall continued “If you could go through and summarize the revenues or give some type of overview.” Mr. Howard responded “I am going to do that. I have given you a sheet that lists each department and it tells you what was added in the line item that was not in the budget for this fiscal year. This just lists everything that was requested but it is not in the budget for this fiscal year. Governing Body basically that budget is exactly the same. It is actually a little bit less than it was this current fiscal year.”

Commissioner Lucas asked “The \$150.00 for rental for meetings, what was that?” Ms. Vaughn responded “Rental for the Civic Center for the employee appreciation luncheon.” Commissioner Lucas continued “Does that not come out of the wellness funding.” Ms. Vaughn responded “That was charged to the Governing Body.” Chairman Hall added “That is not part of the wellness fund.” Commissioner Lucas stated “You pay for the luncheon out of the wellness fund. I was just curious why one expenditure would be broken out of the fund for that purpose? I probably needs to stay with the function don’t you think?” Mr. Howard responded “That is fine. Any questions on Governing Body?”

Mr. Howard continued “Administration. The differences in that budget are 1) there is money in there for contracted services to get the Piedmont Triad Council of Governments to assist us in updating our Personnel Policy. That price is \$6,000. Under the Economic Development line the \$5,500 is the cost to contract with eCibis. They provide a granting website that you can go into and enter your information in and they will send you updates on any grants that meet the criteria that are entered in. You can actually have five or six different organizations in the county. They can put their information in to try to receive information on those grants.”

Commissioner Williamson asked “How many grants have your received from this particular organization?” Mr. Howard responded “This will be the first year that we use this program. A lot of counties throughout the state are members of it. They use it to find out about grants. It will list federal grants. It will list all foundation grants. Basically it cuts out the research time to go out and look for grants. You plug your information in that you are looking for and then they will send you a list of the grants as they come out on the federal registry or foundations. This is nationwide. They will be grants that you are eligible and that you meet the criteria for. My thought behind that is we can open this up to some of the other groups in the county.” Commissioner Williamson continued “What if we can get this information for nothing? What is the difference?” Mr. Howard responded “This cuts down on the research time. Their program goes through every grant that comes out nationwide and then compares that to our criteria that we enter in. They will send us a list that we are eligible for. They will probably find some that we could not do ourselves.”

Commissioner Lucas asked “Who currently is looking for grants?” Mr. Howard responded “Right now each department looks for themselves.” Commissioner Lucas continued “So every department in the county would have access to the program, is that what you are saying?” Mr. Howard responded “Yes ma’am and we could also open it up to other organizations as well such as APS or others.” Commissioner Lucas asked “Is this not a service that is provided through Commerce?” Mr. Howard responded “No ma’am. You can call Commerce and they will tell you the grants that they have. This lists all federal grants, state grants and non-profit foundations

that give out grants to local governments as well.” Chairman Hall stated “We will continue our process. We are not necessarily approving or disapproving right now. We need to get through the whole process and then we will go back and address whatever questions that anyone may have.”

Mr. Howard continued “In travel that is up a little bit. There are 2 seminars next year that I would like to go to on leadership and those are included in that \$4,000.” Commissioner Lucas asked “The \$3,000 for the Leadership Academy & Leadership Capacity is that something different that you have not had?” Mr. Howard responded “Yes ma’am. The Leadership Capacity is a 2 day seminar that the School of Government puts on in September and the Leadership Academy you have to apply to get accepted in that and it would be for a two week period next summer.” Commissioner Lucas continued “The Academy is not something new. Is the Capacity something new?” Mr. Howard responded “I think so. This is the first time I have seen it offered this year. What I have had prior to this is the County Administration Course. The Leadership one gets more into leadership styles in depth and it also gets into board and manager relationships.”

Commissioner Lucas stated “I am going to have to say this; I know that our State Magazine is enjoyed by a lot of folks. I would personally love to have this subscription myself but I can’t afford it so I would certainly take it out of the budget. \$66.00 does not sound like a lot.” Chairman Hall responded “Let us finish the summary process.” Commissioner Lucas continued “It is just something that has bothered me for a while.”

Mr. Howard stated “The next is Finance. I listed the HR position under Finance it could be under Admin or Finance if we had it in the budget. This is something that has been discussed for a couple of years now. The requested amount is \$45,000 which covers the salary and benefits and it is not currently in the budget. There are no new positions in the budget. Are there any questions about the Finance line items outside of that?”

Commissioner Lucas asked “I have a question about replacing the computers. How old are the ones that are there now?” Ms. Vaughn responded “We replaced one this year. Three of them are approximately 6 years old.” Commissioner Lucas continued “So they have not been replaced since 2006.” Ms. Vaughn responded “I think they were replaced in 2005.”

Mr. Howard continued “Tax Department. There was nothing new in their budget. They did not ask for any capital funding or any new projects. Are there any questions about that?” Chairman Hall stated “There are no questions but I will make a note to come back and talk about accessing credit cards at the tax office.” Mr. Howard responded “I think that is on the agenda for Monday night.”

Mr. Howard stated “Board of Elections. Their budget is pretty much the same. They requested an assistant director position for \$35,000 for salary and benefits. That is not included in the budget. This has been requested for at least the past 4 years. There is more money in the salaries for part time and that came up at the last meeting. The reason for that is for training for the new director. It allows Mary Jo to come back during the elections process to train the new director. Then we have \$20,000 for maintenance to repair the voting machines. That is usually in there

every year but it does not get spent because we receive HAVA money for it. We are leaving it in there this year because we are not sure that we will receive the HAVA money. That is what we discussed at the last commissioners meeting. That was the resolution that we sent in.”

Commissioner Lucas stated “I think there was a ruling on that today.” Mr. Howard responded “I know that the Governor’s budget includes the money to get those HAVA funds but we are still unsure if we will receive them or not. Most years we budget for that. We budgeted \$5,000 this year and did not need it. We are budgeted more next year because we do not expect to get those funds.”

Mr. Howard continued “Register of Deeds. That budget is pretty much the same as the current fiscal year.” Chairman Hall asked “So Deeds got their equipment out of the special fund?” Mr. Howard responded “Yes sir.”

Mr. Howard stated “Information Technology. There is \$10,000 in there to redesign the web page. The current design is at least 7 years old and it is full. We can’t add any more stuff to it. We would like to put our audits up there every year and other things on the web page but we just don’t have enough space to do that. We would like to have the page redesigned so we can add new things.” Commissioner Lucas asked “What exactly does \$10,000 cover?” Mr. Howard responded “The fees for a company to come in and design us a new website.” Commissioner Lucas continued “So our IT person does not have the ability to do this?” Mr. Howard responded “That is not something he can do. He could do it but the one we have now was kind of developed by the former economic developer. Our IT person is more hardware oriented than webpage design.”

Mr. Howard continued “Maintenance. This is pretty much the same as the current fiscal year. There was a request on your list, \$20,000 for ½ the cost of a tractor. That is not in the budget currently. That would have been split with the Solid Waste fund. We have to bush hogs so much now the Industrial Park in Pelham and the landfill. The state has changed the guidelines for the old landfill site. The grass has to be mowed more so that tree will not grow up and then at the lake. We feel we would be better off to buy a tractor and county do it ourselves. It costs about \$6,000 a year to pay somebody to come in and do all of that.” Commissioner Lucas asked “Can we get a breakdown on the \$70,000 for the maintenance and repair of buildings. We budgeted that last year in addition to what we put in the capital fund. If we could get a list of what that \$70,000 has been spent on.” Mr. Howard responded “If an air condition unit was to go out this is to replace the air condition unit. It is for general maintenance and repair. This year instead of taking it out of capital we took the stair down over here out of that. We redid the walkway doing to the Probation side.” Commissioner Lucas continued “Personally that is what I need to get an understanding of because that money was set aside to do those projects and now it came out of the \$70,000 in the maintenance budget.” Mr. Howard responded “In a meeting I told y’all that some of the small projects we would take out of maintenance.” Commissioner Lucas stated “If we can get a list of what that money was spent on. That would be helpful to me.”

Commissioner Lucas asked “On the uniform rental, why such an increase there?” Mr. Howard responded “We probably need to change the name on that. We do not actually rent those

anymore, we buy those. We started that about 2 years ago. Some of them are 2 or 3 years old now and need to be replaced. It was actually less costly to buy the uniforms than to rent them. Part of that is to actually buy some sweatshirts and jackets that we don't have."

Commissioner Lucas asked "The increase in utilities, does that have anything to do with the detention center?" Mr. Howard responded "In 2011 our utility bills were \$23,816 for all the county buildings. We keep a high number in there just in case it goes back up." Commissioner Lucas continued "I was actually looking at what has been expended through April 30th for electricity and what you project for the next two months." Mr. Howard responded "It will depend on those two months. It was also a very mild winter. Some of the buildings have electric heat and this was a mild winter so the electricity was less." Commissioner Lucas asked "And on the Guilford Mills utilities, are you satisfied that this is tracking like you had anticipated?" Mr. Howard responded "Yes ma'am." Commissioner Lucas continued "Through April you have spent \$15,000 and you are budgeting \$22,000 for next year." Mr. Howard responded "We budgeted \$22,000 this year. That is what I was taking about in 2011 it was \$23,816." Commissioner Lucas stated "So you went over the \$22,000." Mr. Howard responded "Yes ma'am." Commissioner Lucas asked "I guess my question is if the agreement with PCC is working out to our advantage?" Mr. Howard responded "Yes ma'am. Some of this money we will get reimbursed. The money we give to the LME part of that comes back as part of the utility expenses." Commissioner Lucas asked "Where does that show up?" Mr. Howard responded "On the revenue side." Commissioner continued "Reimbursement for the electricity from the LME." Mr. Howard responded "Yes ma'am. They pay us for the office that they use." Chairman Hall stated "That is not going to be significant." Mr. Howard responded "No sir. That is a small portion. It is the same way with PCC. We bill them the amount and they pay us back."

Commissioner Lucas asked "Since parking lots have been such a big issue, we have expended \$5,200 through April 30th, what specifically was that for?" Mr. Howard responded "We will have to go back and look at that." Commissioner Lucas continued "Compared to June 30, 2011, \$1,400, I was just wondering." Mr. Howard responded "I will have to look at that and see. I think it may have been where we had to repave part of the EMS parking lot, the part that was cracking up but I will double check that."

Commissioner Lucas asked "I have a question on the Welcome Center. On the operations of the Welcome Center there was nothing in 2010 and nothing in 2011 and now there is something in there for this year." Ms. Vaughn responded "That is because it was in the fund for 460 for the previous years and this year it was moved into the local general fund." Commissioner Lucas continued "460 is what?" Ms. Vaughn responded "460 is Special Projects." Commissioner Lucas asked "And that would have been?" Ms. Vaughn responded "It was for the infrastructure..." Commissioner Lucas continued "The water tank?" Mr. Howard responded "No ma'am. A fund was set up for when property is sold over there it goes into that fund." Commissioner Lucas asked "So it was in a different fund and it is showing up in the general fund now. So it no longer exists in special infrastructure?" Ms. Vaughn responded "That is correct."

Mr. Howard stated "Non-Departmental. What you have in here is the cost of living adjustments listed. We do that in place so we don't have to go in and mess with every number. If you take it

out we take it out of one place. If you approve it then we will put it into each department once we adjust the budget after it is approved.” Ms. Vaughn added “You have a breakdown of that.”

Commissioner Lucas asked “Are you talking about 4%?” Mr. Howard responded “3%.” Commissioner Lucas continued “I am still in Maintenance. The 4% increase of the \$17,299 is the included?” Mr. Howard responded “No ma’am that is not included.”

Mr. Howard asked “Are there any questions on Non-Departmental?” Ms. Lucas asked “Under the professional service agreements that is what?” Ms. Vaughn responded “Professional service agreement. That is our Network and Support Plus from ACS at \$3,400, Wycom is out check signer and that is \$350. We have \$3,000 in there for the Expense Reduction Service from Robert Segal. They come in and do a utilities and tax assessment. The actuarial study is \$3,840. \$435 for NC Government Finance. Our drug testing is \$775. The payroll check website is \$2700 and Jury Commission is \$450.” Commissioner Lucas asked “All of that is under line 190?” Ms. Vaughn responded “Yes it is.” Commissioner Lucas asked “Can you get us a copy of that? The breakdown on that I would like to have a copy of it.”

Commissioner Lucas asked “And on the EMS Source which is not NRG?” Ms. Vaughn responded “That is 6% of the revenue on the revenue side. When the revenue changes on the other side we will adjust this side.” Commissioner Lucas continued “Does this fee not come out of collections?” Ms. Vaughn responded “We are billed for it.” Commissioner Lucas asked “The \$4,400 cost allocation is from what department?” Ms. Vaughn responded “It is for Maximus, the cost allocation audit.” Commissioner Lucas continued “And EMP Assistance?” Ms. Vaughn responded “It is an employee assistance program. We are billed for that monthly based on the number of employees. That program is provided for employees to call in to get assistance if they have questions.” Mr. Howard added “Mental health issues, alcohol issues and things like that.” Ms. Vaughn continued “It is for all employees including commissioners.” Commissioner Lucas stated “I never knew we had a call in line.” Chairman Hall responded “I knew we had an employee assistance program. Most employees know about it.” Mr. Howard added “We give out information monthly on the programs that are offered.” Commissioner Lucas asked “And the AFLAC line item?” Ms. Vaughn responded “That is the cost per employee. That cost is \$4.00 per employee for the employees that use the AFLAC program. The county pays for this as a courtesy. It has never been charged out to the employees.” Commissioner Lucas continued “And how many employees participate in that? Well that is \$4.00 per person.” Ms. Vaughn responded “We don’t have very many who use that.” Commissioner Lucas asked “IT consultant. It was not in the budget for two years and now it is in there for \$2,000.” Ms. Vaughn responded “That is if we need IT assistance for an outside contractor.” Mr. Howard added “We budget this every year in case we have to bring someone in to repair a network.” Commissioner Lucas continued “It was not in 2010 and it was not in 2011.” Mr. Howard responded “That is just what was actually spent. When you go back to 2010 and year to date nothing was spent. That is just there in case we have issues with the network and issues that we can’t handle in house. That is another place we can do to get help with repair costs.” Commissioner Lucas asked “And you have a new line item for postage but there is no amount in there so that is just a new line I guess?” Ms. Vaughn responded “At one time there was a postage meter but there is no longer a postage meter here.” Commissioner Lucas continued “Can we get a breakdown on fees and subscriptions?” Ms. Vaughn responded “That is the.....

COG Contributions	\$2,353
COG RPO	1,983
COG Drug Testing	239
SOG Membership Dues	2,555
NCACC Membership Dues	3,265
COG Cablevision TV Dues	700
COG Membership Dues	4,919
NACO Membership Dues	466
NCCBI Membership Dues	440
NC Economic Development Dues	200
NC Dept of Transportation	60

Commissioner Lucas asked “Can I get a copy of that?” Ms. Vaughn responded “Yes.” Mr. Howard added “The NC Department of Transportation that is what we paid for the sign at the Industrial Park.”

Mr. Howard stated “Go to Section 5 Economic & Physical Development. Planning Dept. The new expense that shows up on here is under Contracted Services which is \$3,000. This will actually come up for discussion at a future commissioners’ meeting. We just had to do the Jordan Lake Watershed Ordinance and we are required by state law to actually have an engineer to review any plans that come in for that. We budgeted \$3,000 in there to cover those costs but the plan is with the fee we charge the developer to get those plans reviewed would be enough to cover the cost of the engineer so it would just be an in and out. Whatever the engineer charges us we would charge that to cover the cost.” Chairman Hall asked “Did we discuss that when we discussed the revenues?” Mr. Howard responded “No sir we did not. That will be on agenda coming up so we can discuss how to handle this. We just went ahead and put money in this budget to show that. Any questions about Planning?”

Mr. Howard continued “Cooperative Extension. Their budget is the same as the current fiscal year. Ag Preservation that is just in case someone goes through the program this covers the sign so they can put it up. We will continue on with the budget. I don’t have a sheet but I will hit the highlights. Soil & Water Conservation. Basically the same budget as the current fiscal year. Questions? I would like to skip the section on Public Health and Department of Social Services because there are some details on the two of them that I have not prepared yet. Go to page 8. Senior Services. Basically the same as the current fiscal year. It is a little bit less and that is due to the grants they receive. Page 10 is the Senior Services BEST Grant. That is the grant that we have in conjunction with Pittsylvania County and Danville through the Danville Regional Foundation. It is 100% grant funding.”

Chairman Hall stated “Let’s go back to Senior Center page 9, what is Senior Center Development?” Mr. Howard responded “That is the grant funds that have not come in yet for certain projects. We budget the amount that they get for the grant but we don’t always necessarily spend that amount. I think that reverts back if we don’t spend it.” Chairman Hall continued “We don’t set up separate grant accounts for these?” Ms. Vaughn responded “Not for that particular item.” Chairman Hall asked “Why not?” Ms. Vaughn responded “Because if it is not spent it reverts back. Their budget always exceeds the grant allocations.” Mr. Howard

added "Basically we reduce the amount; there are some county dollars that go to the Senior Center. That money reverts into paying the other costs and we reduce that amount by the end of the fiscal year." Chairman Hall stated "I will come back to this."

Mr. Howard continued "The next several pages are for the JCPC program." Commissioner Lucas asked "Is the Community Based Alternatives grant money?" Ms. Vaughn responded "\$97,534 of it is grant money and there is a \$10,000 county match that is required by the state. A 10% match is required by the state." Commissioner Lucas continued "So the total grant is how much?" Ms. Vaughn responded "\$107,534." Commissioner Lucas asked "And the Administration and Parenting Program comes out of this 107?" Ms. Vaughn responded "Yes and then the following pages on 13 and 14 are also a part of that \$84,454 so those three should total \$107,534." Mr. Howard added "The gang grant is just for the current fiscal year. That is why we are not showing anything in there unless we were to get another grant like that. Page 16 is the ROAP grant funding and that is based on our state allocations. Parks and Recreation is pretty much the same budget as this fiscal year. They did request a capital outlay expense of \$25,000 and that is with the hopes of installing an air conditioner in the gym. We have a lot of people that use the gym at night. We had a Zumba class that met in there for several months in the winter time but they could not use it in the summer time because it was too hot in there. That is not in my recommended budget but there was a request for that. Ashley applied for a grant last year through the Community Foundation but did not receive it."

Commissioner Lucas asked "Where are we on the tennis courts?" Mr. Howard responded "They had done the repair work on the soil. They are just waiting on the proper weather to paint and stripe it. The thunder storms this week delayed that because they don't want it to rain on it." Commissioner Lucas continued "There is nothing in the line item." Mr. Howard responded "It is coming out of the capital fund." Commissioner Lucas asked "Did y'all get us a breakdown on that capital fund?" Mr. Howard responded "I will give it to you Monday night so you will have it to look at for Tuesday."

Mr. Howard continued "Farmer Lake is pretty much the same as this fiscal year. A couple of things we are looking at down there is we did a request last year to get the pier replaced under the state program. It is my understanding that not this fiscal year but the next fiscal year we will be up for that. It will require about five or six thousand dollars at that time in county dollars to have that installed. We are a full year from having that happen." Chairman Hall asked "Is there any way we can speed that up?" Mr. Howard responded "We tried. We are on a waiting list. The only way we can move up is if someone else drops out. We called them and told them that we have the money now if you want us to do that but no one has dropped out." Chairman Hall asked "Why not have someone else to do it?" Mr. Howard responded "Through this we get state funding." Commissioner Travis added "You will not get as cheap if you don't wait." Mr. Howard stated "It was not requested and it is not in the budget but that department is in need of a vehicle. They always get hand me downs from the Sheriff's office. The one they have now is about worn out and the Sheriff's office does not have one to hand down because we are not going to buy new vehicles next year. We are looking at a used truck from the state and it costs about \$2,000. It has about 100,000 miles on it. It is from the Wildlife. There is a need for a truck down there because they have to get the boat in and out." Chairman Hall asked "But that is

not in the budget?" Mr. Howard responded "No sir, there is no cost in the budget. That actually came up after we put this together."

Mr. Howard stated "Special Appropriations. PBH which is mental health. This is the same allocation we were giving prior to joining them. I will go through these and point out what each one requested and what is recommended in the budget. Caswell Parish requested \$30,000. What you have in the budget is what they have received the last two years. \$9,900 the last two years."

(At 6:45 Commissioner Carter entered the meeting.)

Mr. Howard continued "Animal Protection Society, they normally get \$100,000. They requested \$33,000 to cover operational costs and capital costs. I have not had a chance to talk with them but since we are using the inmates now I wanted to talk with them about possibly having them to do some of the work they have over there and we can save some money that way. This has all happened since the budget." Commissioner Travis asked "When will you know about that?" Mr. Howard responded "Before you adopt it. Before the next week or so. I know we can do it. It is whether they want us to do it or not." Commissioner Lucas asked "So what was the total amount budgeted for 2011 for APS?" Ms. Vaughn responded "\$100,000."

Mr. Howard stated "Partnership for Children, \$2500. That is what we have given them for the last couple of years." Commissioner Lucas asked "What is that used for?" Mr. Howard responded "That is just a payment we give the Partnership to use towards their operational costs."

Mr. Howard continued "Forestry. The county had \$10,000 in the budget this fiscal year to purchase a vehicle. They did not buy one so they ask if we could carry it over to the next fiscal year."

Mr. Howard stated "Page 3 Art Council. This is the same amount as the last two years. On Public Education I would like to prepare sheets on that so I can show you what you requested and what was recommended and I am not ready to do that tonight. I don't want to leave anything out. Now we can go to Debt Service and some of the other funds possibly."

Mr. Howard continued "Debt Services. Section 11 Page 1. The first one is the detention center payment for the next fiscal year. The principal and interest is \$509,853." Commissioner Lucas asked "What are the payment dates on those?" Mr. Howard responded "June or July and the first of January." Commissioner Lucas continued "When does the first payment come due?" Mr. Howard responded "There are two payments each year. One is principal and interest and one is just interest. One is in the June/July timeframe and then the other in January/February." Ms. Vaughn added "August 1st and February 1st." Commissioner Lucas asked "What is due August 1st?" Ms. Vaughn responded "An interest payment." Commissioner Lucas continued "Of?" Ms. Vaughn responded "I just have the full amount. The interest payment is due first. The second payment is the interest plus principal." Commissioner Lucas asked "What is the amount?" Mr. Howard responded "\$142,000." Commissioner Lucas asked "So the \$284,000 is interest?" Mr. Howard responded "Yes ma'am." Commissioner Lucas continued "And that is due August 1st?" Mr. Howard responded "Half August 1st and half February 1st." Commissioner Lucas asked

“When is the \$225,000 principal due?” Mr. Howard responded “February.” Commissioner Lucas continued “So you have \$284,583 interest payment due August 1st?” Ms. Vaughn responded “Half of the two eighty-four.” Mr. Howard added “We pay an interest payment in August and then a principal and interest in February.” Commissioner Lucas asked “So the full payment in February will be what?” Ms. Vaughn responded “\$367,426.” Commissioner Lucas stated “My reason for it is because the original schedule we were given when this was adopted is different from the amount that is in here.” Mr. Howard asked “Which schedule?” Commissioner Lucas responded “It was at the time of adoption. I don’t have it. It is in the minutes.” Mr. Howard asked “Would you like for me to bring that back to the Board because this is what was given when the financing was passed. They had the payments laid out for each year. It does not change.” Commissioner Lucas responded “I will find it and bring it back.”

Mr. Howard continued “The next section is the Dillard Middle School bond payment for the School System.” Commissioner Lucas asked “May I ask how much is in the lottery fund?” Ms. Vaughn responded “That is one of the things we had plans to discuss with the school. The lottery is \$1,466,350 and the ADM is \$1,750,749. They have \$3.2 million.” Mr. Howard stated “When we go over the School System we will have a sheet with that on it and their general fund balance as well. We have not received this information yet.” Commissioner Lucas stated “I was reading it in here and everyone may be aware of it but the lottery money, the legislature has approved lottery money for construction or for capital purposes. Did you know that?” Chairman Hall responded “Has that been approved?” That concerns me if it can be used for general operations they need to change their budget.”

RECESS

The Board held a brief recess.

Mr. Howard stated “We did pull the bond service sheet we have for the jail and that is what the number is on here. In the very beginning here was different numbers because everything was changing. It was based on what we approved when we actually approved the bond.” Commissioner Lucas asked “Can we get a copy of that?” Mr. Howard responded “Yes ma’am.” Commissioner Lucas continued “Or do we already have it?” Mr. Howard responded “It should have been in the information you got during those meetings. It was part of the proposal back in August whenever you approved the bond payment.” Commissioner Lucas asked “How much longer to we have to pay on the Middle School bond?” Mr. Howard responded “Fiscal year 2021 and that payment will be \$206,500.” Chairman Hall asked “Is that the only bond we have right now for the schools?” Mr. Howard responded “That is the only bond for the schools. North and South were paid off year before last.”

Chairman Hall asked “The numbers you gave on the lottery and ADM what was the date that was as of?” Ms. Vaughn responded “That was as of April.” Chairman Hall continued “Was there a beginning amount on that?” Ms. Vaughn responded “No sir but it does tell the money that has been expended and it gives the tax revenue. It does not give you a beginning. I can look back at the June 30th account and look at it from there.”

Mr. Howard continued "Debt Service Intergovernmental. Sheriff's cars and ambulance this is intergovernmental loans we did a year or two ago to buy the ambulance and patrol cars out of the Solid Waste fund. This is paying back that loan." Commissioner Lucas asked "Is this the last year?" Mr. Howard responded "We have one more year." Commissioner Lucas continued "For both?" Mr. Howard responded "Yes ma'am." Commissioner Lucas asked "Was it for 2 years or 3 years?" Mr. Howard responded "3 years. Next year will be the last payment. The budget we are working on now is the last year."

Commissioner Travis asked "Is this amount the amount we spent on this courthouse? Is this the last payment?" Mr. Howard responded "Yes sir. No sir we have one more year. Fiscal year 2013-14 it will be paid off. It was a 15 year bond."

Mr. Howard stated "Then you have the ACS customer service agreement. That is what we pay them for our annual maintenance fee for our ACS program." Commissioner Lucas asked "We pay this every year to them?" Mr. Howard responded "Yes ma'am." Commissioner Lucas continued "That is amazing. Are we satisfied with the service?" Ms. Vaughn responded "It is adequate. Compared to other software programs it probably works just as well as any of the others." Commissioner Lucas asked "What exactly do we get for that?" Ms. Vaughn responded "We get upgrades. We get the governmental financial services upgrades, tax upgrades and payroll upgrades. That is about it. They manage and maintain it to make sure it is working." Commissioner Williamson added "It is also a license to use the program."

Mr. Howard continued "Then Debt Service Property. The Scism property is paid off this year at the Industrial Park so there will be no payment this next fiscal year. Transfers to other funds. Family Services that is \$13,000 that we give them every year." Commissioner Lucas asked "Where does it go?" Mr. Howard responded "The Domestic Violent Shelter we took on two or three years ago we were already giving \$13,000 to that program and we have continued to put that money into it. This is used a matches for grants."

Mr. Howard stated "We have \$50,000 going to the reval fund. The Library Fund, we will get to that fund later, is increased by \$8,000 and that is due to the disbanding of the region. It is costing us a little bit more to operate without being a part of the region." Mr. Howard continued "Fire Rescue operations that is what we give to each fire department, \$31,500. Then the Law Enforcement Separation is \$25,000." Chairman Hall asked "Is that each?" Mr. Howard responded "No sir, each one gets a portion of that. It is divided up." Ms. Vaughn added \$3,000 each." Commissioner Lucas asked "How many officers do we currently have in the separation fund?" Ms. Vaughn responded "I will get you those numbers. I want to say 3 but I am not sure." Mr. Howard added "I know there have been 2 who have retired since I have been here and they are on it." Commissioner Lucas continued "Would the former sheriff be included?" Ms. Vaughn responded "It would depend on the age. I think he has aged out." Commissioner Lucas asked "You age out of it?" Mr. Howard responded "What that allows you to do is retire at 50. That is set up for us to pay the difference in what social security would be from that day they retire, once they have 30 years of service they can retire and we would have to pay the difference of social security until they can collect it. If they collect social security at 62 and they retire at 50 we would have to pay it for 12 years. It is based on what they would collect for social security when they are eligible." Commissioner Lucas asked "This is separate and apart from the local 401K?" Mr. Howard responded "Yes."

Mr. Howard continued "And then you have Contingency of \$26,071." Commissioner Lucas asked "What was in contingency last year?" Mr. Howard responded "There was none last year. We did the capital fund transfer last year." Mr. Howard continued "Section 12 Court Facilities. That is pretty much the same as the current fiscal year. There is some money there for capital outlay. This is for when the DA switches offices it is to cover those expenses." Chairman Hall asked "Do they have money budgeted for metal detectors?" Mr. Howard responded "I think that is under M&R Telecom/Security, that covers part of those costs. This covers the costs to repair the metal detectors over there." Chairman Hall stated "I asked the sheriff some time ago to give us a security plan for both the courthouses. I need to follow up to see if he has done that. If we need to do something we need to be ready for it. We don't have handicap access for upstairs." Mr. Howard responded "I can give you a partial report if you would like that." Chairman Hall stated "This is one of the things we need to think about." Mr. Howard responded "That is one of the reasons why I did not want to do the Sheriff's budget right now because part of that is in his budget and I was not ready to break that down for you tonight." Chairman Hall stated "The security at the courthouse is not adequate." Commissioner Lucas asked "How many problems have we had at that courthouse, do we know? And while we are on it at PCC."

Mr. Howard stated "There have been two assessments since February. The Sheriff's Association came in and did one but we have not received that report back yet. Then the Rural Courts Commission came in two weeks ago and did their assessment and we have not received that one yet either." Ms. Vaughn added "They are looking at courthouse security as far as entering and exiting as well as courtroom security." Chairman Hall stated "We need to deal with the security." Mr. Howard responded "I guess what I am trying to say is that is not under this fund it is under the Sheriff's office part of the budget."

Mr. Howard continued "Register of Deeds Automation Enhance & Preservation fund. That is how much will go in there next year."

Commissioner Lucas asked "Can we go back to the courthouse; on the capital outlay for \$10,000 did you discuss that?" Mr. Howard responded "Yes ma'am that is to cover when Elections moves out and the DA will take over that office space. I think he will need some additional furniture and there are some minor renovations that will need to be done."

Mr. Howard stated "Library Fund, revenues and expenditures and the difference is what is covered by the general fund." Commissioner Carter stated "I know we have a meeting with the regional library next month and any money leftover is supposed to be divided between the three libraries. Have you heard anything on that?" Mr. Howard responded "There is a Toyota Prius, if we have not gotten that already, they will figure the value of that. Orange County is going to keep it and give the other two counties each a third of that cost as well as some other things." Chairman Hall asked "This is not their total budget proposal?" Mr. Vaughn responded "Yes it is, \$230,652." Mr. Howard added "It is broken down by what they pay for out of local funds and by the state funds."

Mr. Howard continued "Page 10 is Family Services which is the Domestic Violence Shelter." Commissioner Lucas asked "How much of this do we know is grant money?" Ms. Vaughn responded "The grant section starts with other revenue at the top so it starts with donations. This

part is not a set amount it is estimated. The second section on page 10 starting with NC Council for Women for \$45,734 that is the grant section so it is \$142,367 in grants. Then the last section is the contribution from the county the \$13,000. That is appropriation from the general fund here on the revenue side for Family Services. Their expenditures match the total of their revenues. So each grant should match in revenues and expenditures.” Commissioner Lucas continued “What is that used for, the \$45,734?” Ms. Vaughn responded “It covers salaries, benefits, food and provisions and some office supplies. The marriage license grant covers salaries, and then there is the crisis hotline, telecommunications and maintenance to the building. The governor’s crime commission has some match to it.” Commissioner Lucas asked “How much is the match?” Ms. Vaughn responded “The match is about 8 or 10%. It covers the salaries and benefits as well as some motor fuel and office supplies. It also covers worker’s comp that is charged to that particular grant.” Commissioner Lucas continued “So the match is 8% is that what you said?” Ms. Vaughn responded “It is \$11,880 and the grantors specify the amount. If the revenue changes they will specify how much the match has to be.” Commissioner Lucas asked “And the match comes from where?” Ms. Vaughn responded “It is part of that \$13,000. The family prevention service that one is \$15,000. This covers part time salaries and part of the utilities. FEMA grant is \$11,573. That grant is competitive so we will not know if they will receive that until later in the year. They budget the rent there and part of building maintenance. Then the other family services is just the difference of the revenues, the excess of the donations as well as the balance of the \$32,000 contributions.”

Mr. Howard stated “Section 8. I would like to come back to that one because I plan on giving you a more in depth, we discussed this a while back about the need to cut back the indirect cost. Our plans were to have a pretty in depth discussion when we went through this budget. We don’t have that ready to give to you tonight. I plan to give that to you ahead of time so you will have a chance to look at it.”

Chairman Hall asked “Can you tell me what we have skipped?” Mr. Howard responded “We skipped Public Safety – Section 4, Section 10 Public Education, and then we stopped with Section 8 Housing. We have to do Public Health and DSS as well. Social Services part of their budget has to do with the new document management system that goes along with the changes in the state software. It is about \$87,000 in their budget for that.” Commissioner Lucas asked “Is that a onetime payment?” Mr. Howard responded “No ma’am, it is a 3 year payment. I would like for the DSS director to come and explain the ins and out of that to you. She is prepared to come next Tuesday or Thursday I just need to let her know which day.” Chairman Hall responded “Have her come on Tuesday. Are there any problems with Health?” Mr. Howard responded “No sir.” Commissioner Lucas stated “I would like for Dr. Moore to come.” Commissioner Jefferies stated “The state is going to give some of the money back to DSS on the document system.” Mr. Howard responded “That is why I wanted her to come and explain it because she knows more about than I do.” Commissioner Travis asked “What is the total cost on that thing for DSS do you know?” Mr. Howard responded “I think \$264,000 or \$267,000 is the total cost of it over 3 years. If I remember correctly all of it but \$64,000 will be reimbursed by the state.” Commissioner Lucas asked “Are all the counties going to this?” Mr. Howard responded “The software they use to access the state system has changed. They are going to the NC Fast program. They will not have access to the records on the computer like they have had in the past. The purpose for this is to reduce the redundancy in that office. Everyone will be able to research back records on the computer screen. They will have no more paper files.”

Chairman Hall stated "We need to make sure that IT and everybody is prepared for what we need. We need to automate. So Tuesday we will discuss DSS, Public Education, Public Safety and Section 8. We would like the information on the school's fund balance, lottery and ADM funds. Then we will have Dr. Moore here on Thursday for the Health Department budget."

Commissioner Travis asked "Do we need to have the school superintendent here at the next meeting?" Chairman Hall responded "No necessarily. If they would like to come that is fine. They have not requested to meet with us this year. Commissioner Lucas asked "Have they requested anything from you?" Mr. Howard responded "I met with them to go through his budget." Mr. Howard asked "Do you want the Sheriff here for his budget?" Chairman Hall responded "He does not have to."

Ms. Vaughn stated "Special separation we do have 2 people in that. I did look that up."

Chairman Hall asked "On the document management system for DSS we know the cost but what about training?" Mr. Howard responded "I am going by memory but I think training is included in that cost. They will be on-site for a week I think." Commissioner Lucas asked "NC Fast is a statewide program and you are allowed to use different vendors for the programs throughout the state, is that right." Mr. Howard responded "Yes." Commissioner Lucas continued "So it is not a streamline program..." Chairman Hall asked "Is the software proprietary?" Mr. Howard responded "The NC Fast or the Northwoods? The document management is proprietary. You get to pick which vendor you want to use. Northwoods from what we could tell seems to have the best program." Commissioner Lucas stated "It just bothers me that you will have the option for different vendors." Mr. Howard responded "They are uniforming the NC Fast. It will only save 2 years on the NC Fast part of it. On the state program you can save two years on their file. What we have to do is to have the files after those two years. That is why we have to use to separate systems."

Chairman Hall stated "We want to make sure that we cover all the bases. We are looking at the software. We need to think about the training whether it is for the Health Department, the Sheriff's office, Tax office, Finance department, everyone should be automated, especially Inspections.

RECESS

At 8:00 p.m. Commissioner Travis moved, seconded by Commissioner Jefferies to recess until Tuesday, June 5, 2012 at 5:30 p.m. The motion carried unanimously.

Paula P. Seamster
Clerk to the Board

Nathaniel Hall
Chairman
